

AMERICAN FOREIGN POLICY COUNCIL REPORT POSES QUESTIONS

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 29, 1995

Mr. SOUDER. Mr. Speaker, the DOD appropriations bill emerged from conference with significantly more money added for certain items above the House recommended level. One important addition is \$100 million more than the Nunn-Lugar program.

The Nunn-Lugar or Cooperative Threat Reduction Program has been accused of permitting the Russians to replace obsolete missile systems with more modern and more threatening ones, in fact, facilitating the upgrading of Russian strategic forces.

Yesterday in the Economic and Educational Opportunities Committee, we passed out a budget reconciliation package which reduced spending by more than \$10 billion. Some of those savings were made by eliminating the out-of-school interest subsidy that students receive on their loans, during a so-called grace period. While we are reducing benefits to students in America, with the Nunn-Lugar program, the United States is actually encouraging Russian students to study nuclear physics because we will pay them salaries to work at the International Science and Technology Center in Moscow they graduate. The center receives \$21 million in Nunn-Lugar aid. Scientists involved in nuclear weapons testing and nerve agent research are said to have received Nunn-Lugar grants. When the General Accounting Office examined the Nunn-Lugar program, it was this center that "raised the most concerns among GAO investigators."

I am enclosing a series of reports from the American Foreign Policy Council which poses more questions about the legitimacy of the Cooperative Threat Reduction Program:

RUSSIA TEST-LAUNCHED NEW ICBM

Yesterday morning, the Russian government test-launched a new-generation intercontinental ballistic missile (ICBM). The launch is the most visible sign of Moscow's ongoing strategic ongoing strategic nuclear modernization program, as the House prepares to vote on the 1996 defense authorization and appropriations bills.

Reuters reported from Moscow that the ICBM was launched from the Plesetsk cosmodrome 600 miles north of the Russian capital.

Russian Military Space Forces spokesman Ivan Safronov says that the missile is a three-stage TOPOL-M, a variant of the SS-25. According to Safronov, the TOPOL-M will be based on mobile launchers and in silos.

He stated that 90 of the 154 SS-18 ICBM silos in Russia will be converted to house the TOPOL-M. The SS-18s are being dismantled with United States aid under the "Cooperative Threat Reduction" or Nunn-Lugar program. The TOPOL-M cannot be deployed, if Russia is to remain within START limits, until the SS-18s and other ICBMs are dismantled. Therefore, this aspect of Nunn-Lugar funding will help make deployment of the TOPOL-M possible.

To date, Congress has failed to conduct significant oversight of the Nunn-Lugar program, and how portions of it are being used to benefit Russian military modernization. The Cooperative Threat Reduction Act (PL 103-160), Section 1203(d)(2) contains a restric-

tion that Nunn-Lugar recipients "forego * * * the replacement of destroyed weapons of mass destruction."

The launch underscores the need to revisit Nunn-Lugar, and to deploy a national ballistic missile defense system by 2003.

According to Safronov, once the SS-18s and other aging systems are dismantled, they will be replaced with ultramodern missiles. He told Reuters: "Russia hopes to replace all its outdated missiles in the coming years."

AMENDMENT WOULD TIE NUNN-LUGAR TO MOSCOW'S BIOLOGICAL WEAPONS COMPLIANCE

Problem. The Russian military maintains a clandestine biological weapons program in violation of its international agreements. U.S. assistance to dismantle obsolete Russian weapons, build housing for officers, "convert" portions of military plants for civilian purposes, and other aid under the Cooperative Threat Reduction (Nunn-Lugar) program frees up Defense Ministry funds to finance the biological weapons program. To date, the U.S. has offered Moscow little incentive to account fully for—let alone abandon—its germ warfare research and development.

Solution. Congress can provide Moscow that incentive by conditioning all Nunn-Lugar funding for Russia on biological weapons research, development, and production.

An amendment to H.R. 1530 is being offered by Rep. Robert K. Dornan (R-CA) to offer that incentive. The amendment is a measured, constructive approach that maintains full Nunn-Lugar funding. The amendment reads:

"Sec. 1108. Limitation on Cooperative Threat Reduction Program Relating to Offensive Biological Weapons Program in Russia.

"None of the funds appropriated pursuant to the authorization in section 301 for Cooperative Threat Reduction programs may be obligated or expended for programs or activities with Russia unless and until the President submits to Congress a certification in writing that Russia has terminated its offensive biological weapons program."

Congress's original intent for the Cooperative Threat Reduction Program was to help former Soviet republics to dismantle weapons of mass destruction that could be used against the United States and its allies, or that could proliferate to rogue regimes.

The Clinton administration has acknowledged that Moscow continues a substantial covert biological weapons program, and that Russia is not in compliance with the 1972 Biological Weapons Convention. The Dornan amendment offers the most substantive step yet toward helping Russia abandon germ warfare and comply with its international commitments. Rep. Dornan is currently seeking cosponsors, according to legislative director Bill Fallon.

What will hearings reveal? There has been no effective oversight of the Nunn-Lugar program. A new GAO report states that Nunn-Lugar assistance already is being diverted to finance Russian development of new weapons of mass destruction. Rep. Curt Weldon (R-PA), Chairman of the Subcommittee on Military Research and Development of the National Security Committee, has called for hearings.

GAO: RUSSIA USES NUNN-LUGAR AID TO DEVELOP NEW WEAPONS

American aid to Russia is being used to pay scientists who continue to develop weapons of mass destruction and dual-use technologies, Moscow and Kiev have blocked U.S. audits of the aid, and the Clinton administration is four months late in making an accounting to Congress.

These fundamental problems with aid under the Cooperative Threat Reduction Act (P.L. 103-160), or "Nunn-Lugar" program) are revealed in a draft General Accounting Office (GAO) report made public by Bill Gertz in today's Washington Times. The report and article make the following points:

Nunn-Lugar has done little to reduce the proliferation threat or improve nuclear weapons controls in Russia.

Moscow is using Nunn-Lugar conversion funds to "reactivate dormant weapons facilities."

The International Science and Technology Center in Moscow, receiving \$21 million in Nunn-Lugar aid, "raised the most concerns among the GAO investigators."

U.S. officials monitored the Center "only intermittently," and not quarterly.

U.S. officials told the GAO that the Center "is intended to help prevent proliferation . . . rather than preclude scientists from working on Russian weapons of mass destruction," even though the Center bars funding for such work.

The Center is "creating dual-use items" that can be used in Russian military modernization.

Nunn-Lugar pays nuclear scientists to prevent them from emigrating, but they "may spend part of their time working on Russian weapons of mass destruction," according to the report.

Scientists involved in nuclear weapons testing and nerve agent research received Nunn-Lugar grants.

The U.S. has made no audits of Nunn-Lugar funding in Russia or Ukraine, because Moscow and Kiev have objected to such audits, the GAO said.

The Clinton administration is four months late in providing Congress with an accounting for Nunn-Lugar funds spent, which is required by law.

The State Department will assume funding of the Center from the Department of Defense next year, and hopes to spend another \$90 million over seven years.

RUSSIA FAILS TO MEET ALL SIX CONDITIONS TO RECEIVE NUNN-LUGAR FUNDING

The Russian government is violating all six congressional restrictions in the Cooperative Threat Reduction Act (PL 103-160) that authorizes U.S. aid for the "demilitarization of the former Soviet Union." PL 103-160 contains a loophole that allows aid without the recipient meeting the six commitments, if the president deems such aid to be in the "national interest." However, Congress has not yet assessed whether aid in these circumstances remains in the national interest. The six PL 103-160 commitments are:

Section 1203(d)(1): "Making substantial investment of its resources for dismantling or destroying its weapons of mass destruction. . . ." Russia is dismantling nuclear warheads on its own, but is replacing many with modern ones. The U.S. agreed to pay for Russia to design its own \$15 million fissile material storage facility, but DoD reported, "The project has been hampered by problems with the Russians not paying their designers to meet the Russian commitment to this effort." The GAO states, "Russia is likely to place a low priority on paying the high cost of [destroying its declared 40,000 metric ton chemical weapons stockpile]."

Section 1203(d)(2): "Foregoing any military modernization program that exceeds legitimate defense requirements and foregoing the replacement of destroyed weapons of mass destruction." The CIA expects Russia to "flight test and deploy there new ballistic missiles—a road-mobile ICBM, a silo-based ICBM, and an SLBM—during this decade . . . [and] a new ballistic missile submarine after

the turn of the century." The United States presents no offensive threat to the Russian Federation, and therefore the strategic modernization program is not within Russia's "legitimate defense requirements." Obsolete weapons being destroyed with the help of PL 103-160 will be replaced with modern systems. Russia maintains large covert programs to develop new generations of chemical and biological weapons.

Section 1203(d)(3): "Foregoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons." According to the GAO, the Administration has failed to get Russia to agree to "specific transparency measures that would help ensure that stored materials are derived from dismantled weapons, safe from unauthorized use, and not used in new weapons." Therefore, the U.S. must assume that Russia will recycle warhead components in its strategic modernization program.

Section 1203(d)(4): "Facilitating United States verification of any weapons destruction carried out under this title . . ." Russia has thrown up numerous obstacles to U.S. verification of weapons destruction, and the U.S. has no means to inspect or account for destruction of any Russian nuclear warheads. Moscow has not permitted substantial U.S. inspection of its chemical weapons program; likewise, Moscow has stonewalled on U.S. inspection of its biological weapons facilities, though Kremlin officials made a token "concession" at the May 10 summit that allows U.S. inspections of a "handful" of biological weapons facilities in three months.

Section 1203(d)(5): "Complying with all relevant arms control agreements." Russia is currently in violation of the Biological Weapons Convention, the Chemical Weapons Convention, STRT I, and the Vienna Confidence Building Measures Agreement, and may be in violation of the ABM Treaty (with S-500s).

Section 1203(d)(6): "Observing internationally recognized human rights, including the protection of minorities." The 35,000 dead in Chechnya, widespread persecution of various ethnic groups (particularly Chechens, Georgians and Azeris), renewed domestic political murders, legal and administrative mechanisms for dictatorial rule, sharp restrictions and intimidation of journalists and widespread police abuses indicate widespread human rights violations.

GAO AND U.S. EMBASSY SAY THAT MILITARY CONVERSION AID WILL HELP MODERNIZE RUSSIAN ARMED FORCES AND PROMOTE PROLIFERATION

Congress thinks American military conversion assistance to Russia is helping to put Soviet-built military plants out of the war business—thus reducing threats to the United States—and to bring them into the consumer production business, thus helping build a market economy.

The General Accounting Office (GAO) and a cable from the U.S. Embassy in Moscow report evidence to the contrary.

Rather than break up high-tech military design bureaus to make sure they will never again develop weapons, the Russian government's strategy is to channel Western aid "to a small number of key technology-rich research and design institutes," according to the July 8, 1994 cable. Most of these institutes will remain state-owned. Few are going out of the military business.

A 1995 GAO report states, "These parent companies [designated for U.S.-funded conversion aid] would still produce some defense equipment * * * raising the possibility that U.S. aid could benefit the parent defense companies if safeguards are not put in place." (GAO/NSIAD/95-7)

"Many of the companies selected for conversion will continue to produce weapons. Profits and technology from the newly privatized firms could be returned to the parent defense enterprises. Furthermore, many Russian officials remain interested in preserving a sizable defense industry to earn hard currency by exporting arms," the GAO report adds.

"Russia's * * * military leaders are anxious to learn about the management and manufacturing methods of the West," observes the embassy cable, adding, "The Russian military is attempting to regain military potency with dwindling financial resources."

To compensate for its huge personnel reductions, the Russian military is going high-tech, and needs Western aid. According to the embassy cable, "With this change, the Russian military is shifting strategies and doctrine. First, the military is deferring new production to focus on systems upgrade and research. Second, the military is shifting from military-only research to dual-use technology research that will benefit the Russian economy. Third, the Defense Ministry is seeking to guide the creation of 30 defense-industrial-financial conglomerates that would produce both military and civilian high-tech equipment. Finally, the military is broadening beyond an emphasis on weapons procurement to improve weapon maintenance, improved information processing, and better battle management."

This helps explain why hard-line Russian military leaders are so intent on expanding Nunn-Lugar funding to pay for "conversion," and why they are so supportive of the U.S. Commerce Department's efforts to promote American investment and technology transfer to such enterprises.

SIX REASONS TO RECONSIDER THE NUNN-LUGAR PROGRAM

Congress is on the verge of providing the Clinton administration with desperately needed political cover for its mishandling of the Nunn-Lugar program in the former Soviet Union. Lack of congressional oversight has permitted hard-line elements in Russia to manipulate the Clinton administration and abuse the program in ways that are not only wasteful, but harmful to American national security. Nunn-Lugar is being used mainly to destroy obsolete weapons that Moscow will replace with high-tech arms currently under development. Nunn-Lugar funds have been diverted to fund some of this development.

1. Russia is in violation of most if not all six conditions set by Congress in the original Nunn-Lugar (Cooperative Threat Reduction) legislation (PL 103-160). (For a discussion of each point, see Foreign Aid Advisory No. 5, "Russia Fails to Meet All Six Conditions to Receive Nunn-Lugar Funding," May 19, 1995.)

2. Moscow needs Nunn-Lugar funding to enable deployment of new generation ICBM. When Russia test-launched a new-generation TOPOL-M ICBM on September 5, 1995, military spokesman Ivan Safronov told Reuters that 90 of the existing 154 SS-18 ICBM silos in Russia will be converted to house the new TOPOL-Ms. In other words, the TOPOL-Ms cannot be deployed until Nunn-Lugar helps dismantle the obsolete SS-18s. Safronov added, "Russia hopes to replace all its outdated missiles in the coming years."

3. Russia continues clandestine production of chemical and biological weapons. Russia maintains large covert programs to develop new generations of chemical and biological weapons. Dissident chemical weapons scientist Vil Mirzayanov revealed an entire new class of binary chemical weapons under development, which Moscow refuses to ac-

knowledge. The Clinton administration acknowledges that Russia is continuing with its substantial clandestine germ warfare program.

4. Nunn-Lugar aid has been diverted to fund development of weapons of mass destruction. The GAO released a June report that found that the International Science and Technology Center in Moscow, receiving \$21 million in Nunn-Lugar aid, "raised the most concerns among the GAO investigators." The report says that the Center is "creating dual-use items" that can be used in Russian military modernization. The report adds that Nunn-Lugar pays nuclear scientists to prevent them from emigrating, but they "may spend part of their time working on Russian weapons of mass destruction." Scientists involved in ongoing nuclear weapons testing and nerve agent research received Nunn-Lugar grants, GAO said.

5. Nunn-Lugar aid may promote weapons proliferation. A 1994 GAO report raises the possibility that U.S. aid may unwittingly promote weapons proliferation: "Many of the [Russian] companies selected for conversion will continue to produce weapons. Profits and technology from the newly privatized firms could be returned to the parent defense enterprises. Furthermore, many Russian officials remain interested in preserving a sizable defense industry to earn hard currency by exporting arms."

6. Nunn-Lugar aid is helping Russian plants that continue to manufacture high-tech weapons. The 1994 GAO report states that Moscow is using Nunn-Lugar conversion funds to "reactivate dormant weapons facilities." It adds, "These [Russian] parent companies [designated for U.S.-funded conversion aid] would still produce some defense equipment . . . raising the possibility that U.S. aid could benefit the parent defense companies if safeguards are not put in place." Commerce Department publications acknowledge that related aid programs go directly to Russian military enterprises that continue to produce modern tanks, armor, military electronics, military aircraft, anti-ship weapons, cruise missiles, intercontinental ballistic missiles, and submarine-launched ballistic missiles, as well as anti-aircraft systems designed to shoot down American "stealth" aircraft.

WHY IS THE U.S. AIDING RUSSIA'S HIGH-TECH MILITARY INDUSTRY?

Russia's high-tech military industry is the backbone of a planned large-scale modernization program that Defense Minister Pavel Grachev says will compensate for troop reductions and compete with American firms on the international arms market.

Last week, a top Russian officer, Col. Gen. Yevgeny Maslin, lobbied senators to maintain funding for "conversion" of Russian military plants. At the same time, he defended Moscow's strategic nuclear modernization program. The CIA and DIA report that Russia is readying to test-launch a new generation silo-based ICBM, a mobile ICBM, and SLBM, and is developing a new ballistic-missile submarine to go on-line within the next decade.

The U.S. government, in trying to help Russian "reform," has been promoting and subsidizing the transfer of American technology and capable to many of Russia's most advanced military design bureaus and plants. Rather than abandoning military production for consumer products, these plants form the core of Russia's conventional and nuclear military modernization. To remain predominant in the military-industrial complex, they need Western technology and investment.

The Clinton Administration, with bipartisan congressional support, has been providing just that. The Bureau of Export Administration of the Department of Commerce, the Defense Enterprise Fund, the Nunn-Lugar Cooperative Threat Reduction Program, and other government programs and entities are promoting Russian firms that are not abandoning military production, but have merely opened civilian production lines to attract American support. The Commerce Department bulletin BSNIS Search for Partners (December 9, 1994) describes some of the firms.

"the principal designer and producer of Russian shipborne air defense missile systems"; "designs and produces sensor/guidance systems for airborne weapons"; a major producer of electronic components for space and military use"; "responsible for design and development of land-based, road-mobile solid-propellant missiles"; "global positioning system work with . . . MiG aircraft"; "developed guidance, navigation, and flight control systems for ballistic missiles"; "a leading developer of space satellite systems, sea and land-based cruise missile systems, and intercontinental ballistic missile systems"; "designs and develops tactical medium-range surface-to-air missile systems and weapons guidance systems for fighter aircraft"; "probably the world's leading producer of VHF air surveillance and surface-to-air missile target acquisition radars, which have counter-stealth features"; "a leading center for the design of launchers and ground support equipment for missiles and aircraft"; "a leader in the development and production of electronic control systems for missile complexes"; "a developer of submarine-launched ballistic missiles. . . ."

POINTS TO CONSIDER

Is Congress serving the nation by helping an increasingly hostile and unstable Russia to modernize its decaying war machine? Current policy is inadvertently exacerbating the following problems:

Strengthening the un-reformed military-industrial complex with the means to expand its political base in Russia; Proliferation of high-tech weapons to rogue regimes; Threats of a revitalized, high-tech military against Russia's neighbors; New threats to the United States, particularly through proliferation and strategic nuclear modernization.

LIST OF ARMS CONTROL AGREEMENTS RUSSIA IS CURRENTLY BREAKING

The debate about ballistic missile defense is mainly between those who place their faith in arms control agreements with Russia, and those who place their faith in U.S.-controlled defensive systems to knock out ballistic missiles fired at the United States or its allies.

The Russian parliament will demand that the U.S. comply "unconditionally" with the Anti-Ballistic Missile (ABM) treaty if Russia is to ratify START II—i.e., no ballistic missile defense. However, Moscow is systematically breaking current commitments and the U.S. is not demanding "unconditional" compliance. The following list drawn from open sources shows Russia's track record.

Biological Weapons Convention. Russia maintains a substantial covert biological weapons program in violation of the 1972 convention, according to the Arms Control and Disarmament Agency's (ACDA) recent annual report to Congress. Russian defectors and public officials, as well as the CIA, confirm the report.

Chemical weapons agreements. Russia is reported not to be complying with a 1989 bilateral chemical weapons accord with the U.S., and with the 1993 Chemical Weapons Convention. Although the Convention has

not been ratified by the U.S. or Russia, both sides have come to an understanding that they will abide by it and allow mutual inspections. As of 1995, Russia continued to conceal chemical weapons facilities from U.S. inspectors.

Missile Technology Control Regime. Russia violated the 1990 Missile Technology Control Regime by seeking to sell SS-25 ICBM technology to Libya, and by successfully selling SS-25 technology to Brazil. The administration declined to impose sanctions because Russia "promised to stop."

START I. Moscow conducted a mock nuclear attack on the United States in 1993, failing to give the U.S. advance notification as required by the treaty. Russia conducted a mock SS-25 ICBM, air-launched cruise missile, and submarine-launched ballistic missile attack on the United States on June 22, 1994, but ACDA will neither confirm nor deny whether Russia gave the required advance notice. In 1995, Russia used SS-25s as space launchers without properly notifying the U.S. in advance. Questions remain about encryption of SS-19 ICBM flight tests, whose telemetry should be decipherable so the U.S. can determine the warhead load.

START II. The new ACDA annual report states that Moscow intentionally tried to conceal technical characteristics of the SS-N-20 SLBM in tests in 1991 and 1995. The administration failed to pursue the violation.

Conventional Forces in Europe (CFE) Treaty. Moscow has broken the CFE treaty by waging the war in Chechnya, and has stated its intention to violate the CFE treaty further, not only by maintaining disallowed troop and armor concentrations in the northern Caucasus, but by creating a new 58th Army to be based in Chechnya.

Agreements on transparency of fissile material storage and weapons dismantling. The July 1995 ACDA report finds that Russia is not making good on its agreements with the U.S. to make all fissile material storage facilities and weapons dismantling processes transparent to U.S. inspectors.

IN RECOGNITION OF 150 YEARS OF THE ORSON STARR HOUSE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 29, 1995

Mr. LEVIN. Mr. Speaker, 1995 marks the 140th anniversary of what is believed to be the oldest standing home in Royal Oak, MI. On Sunday, October 8, the Woman's Historical Guild will celebrate this impressive anniversary. They will be joined by their friends from the Royal Oak History Society, the Royal Oak History Commission, and the Royal Oak Historical District Study Commission.

Orson Starr first moved to Royal Oak, MI, with his wife Rhoda Gibbs Starr, and their son, John Almon Starr, in 1831. As Mr. Starr's manufacturing business prospered, the family moved from the original log home to a house which Mr. Starr, built with such extraordinary craftsmanship, it is still standing today. The house was originally built in Greek Revival architectural style. The style is still apparent to the home today and is more commonly known as "Michigan Farmhouse" style.

Despite major changes in the 1900's, interested citizens have been successful in maintaining the home and preserving its history. The Woman's Historical Guild of Royal Oak is presently responsible for preservation of the

interior of the home. Through the contributions of the Historical Guild, the city of Royal Oak, and individuals, this historic site is now open for all to see and learn from.

My thanks to all those individuals and organizations involved in the preservation of Royal Oak history, and my congratulations and best wishes on this 150th year of the Orson Starr house.

A TRIBUTE TO AJEA 2000 FOR THEIR SERVICE TO THE COMMUNITY

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 29, 1995

Mr. RUSH. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to AJEA 2000, an organization in my district that has contributed greatly to the educational enrichment of the minds of our youths. AJEA 2000 is a network of four innercity Catholic schools in Chicago who raise funds to support tuition and other educational costs for financial disadvantaged children. These schools have worked successfully for decades within Chicago's neighborhoods to produce well educated young people who have become leaders in our city and beyond.

The four participating schools, St. Ambrose, St. Elizabeth, St. James, and Holy Angels, have one of the best records of student retention, graduation, and academic achievement in the city. By providing scholarships and other award grants to students, many otherwise disadvantaged children have the opportunity that every American deserves—and that is the opportunity for the best education possible.

Mr. Speaker, please let the record show that I am proclaiming Saturday, October 7, 1995, "AJEA 2000 Day" in Chicago in honor of the more than 2,000 financially disadvantaged children they have helped. AJEA 2000's commitment to further the education and lives of young people is one that should be commended. It is an honor and a privilege to enter these words into the RECORD.

MEDICARE REFORM

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 29, 1995

Mr. PACKARD. Mr. Speaker, the Clinton administration's trustee's report warns the Medicare Trust Fund starts to go broke next year and the entire program will go bankrupt in 7 years.

America's elderly and future generations are at risk. If the fund goes bankrupt, the law says the government will make no hospital or other trust-paid health services available. We can save Medicare by using new approaches, new management, and new technologies.

Medicare and Medicaid are Government-run health care programs filled with fraud and waste—roughly \$44 billion each year. Currently, Medicare spends more than twice the amount of the private sector and in 1994 costs rose 11 percent. The plan we purpose will allow for increased Medicare spending, but at